



CLAIRE C. McCASKILL
Missouri State Auditor

To the County Commission
and
Officeholders of Howell County, Missouri

The State Auditor's Office through the State Office of Administration, Division of Purchasing, contracted the audit services of Howell County, Missouri, for the two years ended December 31, 2002. A copy of this audit which was performed by A. M. Barnhart, P.C., Certified Public Accountant, is attached.

Claire C. McCaskill
State Auditor

Report No. 2003-83
August 13, 2003

***HOWELL COUNTY, MISSOURI
WEST PLAINS, MISSOURI***

***SPECIAL-PURPOSE FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT***

***FOR THE TWO YEARS ENDED
DECEMBER 31, 2002***

AMB

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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS

To the County Commission and
Officeholders of Howell County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Howell County, Missouri, as of and for the years ended December 31, 2002 and 2001, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Howell County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Howell County, Missouri.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Howell County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2002 and 2001, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 9, 2003, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Government, and Non-Profit Organizations, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

Original Signed by Auditor

A. M. Barnhart, P.C.
Certified Public Accountant

Houston, Missouri
May 9, 2003



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Howell County, Missouri

We have audited the special-purpose financial statements of various funds of Howell County, Missouri, as of and for the years ended December 21, 2002 and 2001, and have issued our report thereon dated May 9, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Howell County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Howell County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of Howell County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.

Original Signed by Auditor

A. M. Barnhart, P.C.
Certified Public Accountant

Houston, Missouri
May 9, 2003

HOWELL COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CHANGES - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2002

FUND	Cash January 1	Receipts	Disbursements	Cash December 31
General Revenue	\$452,022.22	\$2,830,522.91	\$2,849,640.64	\$432,904.49
School Resource Officer	16,451.80	51,733.75	42,868.90	25,316.65
Special Road and Bridge	72,671.87	2,166,468.58	1,895,660.22	343,480.23
Law Enforcement Training	13,635.43	11,950.23	15,651.26	9,934.40
Prosecuting Attorney Bad Check	1,867.17	58,277.93	40,671.18	19,473.92
Assessment	47,029.15	302,907.32	348,678.43	1,258.04
Recorder's Special	39,289.88	17,458.88	16,912.90	39,835.86
Prosecuting Attorney Training	1,607.03	2,034.98	2,339.30	1,302.71
911 Emergency Telephone	424,264.90	465,809.58	424,273.07	465,801.41
Law Enforcement Sales Tax	545,299.55	2,024,300.76	1,942,667.24	626,933.07
Recorder's Technology	3,804.17	13,020.20	0.00	16,824.37
Children's Trust	166.00	6,069.19	6,135.20	99.99
Prosecuting Attorney Special	1,063.42	1,164.16	84.08	2,143.50
Drug Enforcement	21,971.44	23,694.32	26,313.90	19,351.86
Sheriff Special	1,372.26	39,542.93	0.00	40,915.19
Sheriff Emergency Response Team	2,868.29	45.10	175.00	2,738.39
Special Grant	0.00	242,841.88	242,754.67	87.21
Election Service	6,214.36	3,548.85	3,177.94	6,585.27
Collector's Tax Maintenance	0.00	1,716.91	0.00	1,716.91
Micro Enterprise Loan	0.00	75,000.00	75,000.00	0.00
Senate Bill 40 Board	39,830.23	152,787.05	96,525.45	96,091.83
Circuit Clerk Interest	23,421.00	1,985.45	3,675.75	21,730.70
Associate Circuit Division Interest	19,055.62	2,602.05	14,252.80	7,404.87
Law Library	17,156.09	22,960.74	26,373.98	13,742.85
TOTAL	\$1,751,061.88	\$8,518,443.75	8,073,831.91	\$2,195,673.72
	=====	=====	=====	=====

The accompanying Notes to the Financial Statements are an integral part of this statement.

HOWELL COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CHANGES - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2001

FUND	Cash January 1	Receipts	Disbursements	Cash December 31
General Revenue	\$328,214.83	\$2,788,724.87	2,664,917.48	\$452,022.22
School Resource Officer	26,573.92	30,848.85	40,970.97	16,451.80
Special Road and Bridge	161,529.80	1,430,808.34	1,519,666.27	72,671.87
Law Enforcement Training	16,413.74	12,966.25	15,744.56	13,635.43
Prosecuting Attorney Bad Check	13,482.02	45,995.01	57,609.86	1,867.17
Assessment	47,298.16	300,029.10	300,298.11	47,029.15
Recorder's Special	54,943.10	17,883.65	33,536.87	39,289.88
Prosecuting Attorney Training	1,955.26	2,224.27	2,572.50	1,607.03
911 Emergency Telephone	345,264.90	452,576.82	373,576.82	424,264.90
Law Enforcement Sales Tax	66,478.06	1,855,851.07	1,377,029.58	545,299.55
Recorder's Technology	0.00	3,804.17	0.00	3,804.17
Children's Trust	0.00	6,663.44	6,497.44	166.00
Prosecuting Attorney Special	782.92	1,520.39	1,239.89	1,063.42
Drug Enforcement	23,936.11	1,035.33	3,000.00	21,971.44
Sheriff Special	5,959.16	36,947.71	41,534.61	1,372.26
Sheriff Emergency Response Team	3,001.45	135.66	268.82	2,868.29
Special Grant	3,621.03	220,915.23	224,536.26	0.00
Election Service	1,928.04	6,081.81	1,795.49	6,214.36
Micro Enterprise Loan		18,620.00	18,620.00	0.00
Speculative Industrial Building Loan		400,000.00	400,000.00	0.00
Senate Bill 40 Board	35,981.97	146,938.76	143,090.50	39,830.23
Circuit Clerk Interest	27,113.90	343.54	4,036.44	23,421.00
Associate Circuit Division Interest	15,538.51	4,722.48	1,205.37	19,055.62
Law Library	11,404.26	21,861.52	16,109.69	17,156.09
TOTAL	\$1,191,421.14	\$7,807,498.27	\$7,247,857.53	\$1,751,061.88
	=====	=====	=====	=====

The accompanying Notes to the Financial Statements are an integral part of this statement.

HOWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - VARIOUS FUNDS
YEAR ENDED DECEMBER 31

	2002			2001		
	Budget	Actual	Variance Favorable [Unfavorable]	Budget	Actual	Variance Favorable [Unfavorable]
TOTALS - VARIOUS FUNDS						
RECEIPTS	\$8,421,767.42	\$8,518,443.75	\$96,676.33	\$7,889,807.77	\$7,776,065.91	(\$113,741.86)
DISBURSEMENTS	8,857,203.06	8,073,831.91	783,371.15	8,187,063.93	7,222,001.21	965,062.72
RECEIPTS OVER [UNDER] DISBURSEMEN	(435,435.64)	444,611.84	880,047.48	(297,256.16)	554,064.70	851,320.86
CASH JANUARY 1	1,751,061.88	1,751,061.88	0.00	1,137,364.47	1,137,364.47	0.00
CASH DECEMBER 31	\$1,315,626.24	\$2,195,673.72	\$880,047.48	\$840,108.31	\$1,691,429.17	\$851,320.86
=====						
NOTE: \$59,632.71 difference in ending cash 2001 and beginning cash 2002 are funds that had no budget in 2001 and were budgeted in 2002. Funds without budgets not included in 2001.						
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	\$41,600.00	\$40,939.78	(660.22)	\$39,300.00	\$41,579.73	2279.73
Sales taxes	1,525,000.00	1,605,094.61	80094.61	1,530,000.00	1,550,147.62	20147.62
Intergovernmental	682,183.48	650,182.12	(32001.36)	611,172.41	654,114.68	42942.27
Charges for services	450,150.00	452,005.32	1855.32	426,160.00	424,862.99	(1297.01)
Interest	40,000.00	24,465.49	(15534.51)	40,000.00	39,187.86	(812.14)
Other	58,138.75	57,099.64	(1039.11)	46,130.88	72,901.80	26770.92
Transfers in	12,419.57	735.95	(11683.62)	5,000.00	5,930.19	930.19
Total receipts	2,809,491.80	2,830,522.91	21031.11	2,697,763.29	2,788,724.87	90,961.58
DISBURSEMENTS						
County Commission	98,840.00	96,619.88	2,220.12	97,640.00	96,097.73	1,542.27
County Clerk	96,175.00	90,233.85	5,941.15	93,675.00	93,355.55	319.45
Elections	97,500.00	94,117.08	3,382.92	57,800.00	64,812.62	(7,012.62)
Buildings and grounds	90,700.00	88,365.27	2,334.73	72,700.00	100,789.47	(28,089.47)
Employee fringe benefits	234,500.00	217,842.88	16,657.12	243,300.00	247,231.36	(3,931.36)
County Treasurer	47,610.36	46,565.61	1,044.75	46,971.77	45,961.27	1,010.50
County Collector	135,680.00	134,441.37	1,238.63	130,580.00	130,412.77	167.23
Recorder of Deeds	76,750.00	72,343.67	4,406.33	69,300.00	68,119.69	1,180.31
Circuit Clerk	27,000.00	24,732.20	2,267.80	27,000.00	23,880.15	3,119.85
Associate Circuit Court	14,850.00	12,897.47	1,952.53	19,000.00	17,489.65	1,510.35
Court Administration	8,300.00	4,652.24	3,647.76	8,200.00	3,907.72	4,292.28
Public Administrator	51,100.00	48,733.41	2,366.59	50,350.00	50,295.54	54.46
Prosecuting Attorney	179,608.00	179,683.92	(75.92)	158,468.00	157,816.20	651.80
Juvenile Officer	170,750.70	170,996.27	(245.57)	151,937.82	138,767.75	13,170.07
County Coroner	26,000.00	23,736.84	2,263.16	26,000.00	21,524.73	4,475.27
Health and welfare	600.00	0.00	600.00	500.00	550.00	(50.00)
Emergency	85,000.00	0.00	85,000.00	81,000.00	0.00	81,000.00
Other	663,072.14	583,257.60	79,814.54	606,225.70	528,705.98	77,519.72
Transfers out	918,478.34	960,421.08	(41,942.74)	937,348.27	875,199.30	62,148.97
Total disbursements	3,022,514.54	2,849,640.64	172,873.90	2,877,996.56	2,664,917.48	213,079.08
RECEIPTS OVER [UNDER] DISBURSEMEN	(213,022.74)	(19,117.73)	193,905.01	(180,233.27)	123,807.39	304,040.66
CASH JANUARY 1	452,022.22	452,022.22	0.00	328,214.83	328,214.83	0.00
CASH DECEMBER 31	\$238,999.48	\$432,904.49	\$193,905.01	\$147,981.56	\$452,022.22	\$304,040.66
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The accompanying Notes to the Financial Statements are an integral part of this statement.

HOWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - VARIOUS FUNDS
YEAR ENDED DECEMBER 31

	2002			2001		
	Budget	Actual	Variance Favorable [Unfavorable]	Budget	Actual	Variance Favorable [Unfavorable]
SPECIAL ROAD AND BRIDGE FUND						
RECEIPTS						
Property taxes	\$30,000.00	\$28,978.42	(1021.58)	\$30,000.00	\$29,431.46	(568.54)
Sales taxes	290,000.00	250,000.00	(40000.00)	290,000.00	250,000.00	(40000.00)
Intergovernmental	1,844,310.47	1,846,310.39	1999.92	1,160,360.47	1,142,506.29	(17854.18)
Charges for services	28,500.00	940.00	(27560.00)	500.00	915.00	415.00
Interest	5,000.00	3,293.14	(1706.86)	11,000.00	7,735.59	(3264.41)
Other		36,946.63	36946.63		215.00	215.00
Transfers in					5.00	5.00
Total receipts	2,197,810.47	2,166,468.58	(31,341.89)	1,491,860.47	1,430,808.34	(61,052.13)
DISBURSEMENTS						
Salaries	504,000.00	532,356.45	(28,356.45)	495,000.00	491,282.73	3,717.27
Employee fringe benefits	185,260.00	182,086.66	3,173.34	179,000.00	170,543.58	8,456.42
Supplies	139,000.00	118,249.68	20,750.32	144,000.00	127,752.59	16,247.41
Insurance	35,000.00	39,738.49	(4,738.49)	28,000.00	39,828.42	(11,828.42)
Road and bridge materials	345,000.00	230,404.42	114,595.58	381,000.00	316,684.31	64,315.69
Equipment repairs	68,000.00	70,079.86	(2,079.86)	75,000.00	50,123.24	24,876.76
Rentals	30,000.00	623.62	29,376.38	35,000.00	31,118.65	3,881.35
Equipment purchases	215,000.00	301,274.56	(86,274.56)	205,000.00	242,465.57	(37,465.57)
Road and bridge construction	367,500.00	398,470.91	(30,970.91)	21,500.00	23,829.58	(2,329.58)
Other	26,400.00	22,375.57	4,024.43	27,650.00	26,037.60	1,612.40
Total disbursements	1,915,160.00	1,895,660.22	19,499.78	1,591,150.00	1,519,666.27	71,483.73
RECEIPTS OVER [UNDER] DISBURSEMEN	282,650.47	270,808.36	(11,842.11)	(99,289.53)	(88,857.93)	10,431.60
CASH JANUARY 1	72,671.87	72,671.87	0.00	161,529.80	161,529.80	0.00
CASH DECEMBER 31	\$355,322.34	\$343,480.23	(\$11,842.11)	\$62,240.27	\$72,671.87	\$10,431.60
=====						
ASSESSMENT FUND						
RECEIPTS						
Intergovernmental	\$258,212.51	\$227,573.67	(30638.84)	\$242,003.57	\$232,343.61	(9659.96)
Charges for services	11,500.00	0	(11500.00)	9,000.00	11,371.38	2371.38
Interest	2,500.00	957.81	(1542.19)	2,500.00	3,465.84	965.84
Other		397.50	397.50	0.00	0.00	0.00
Transfers in	33,978.34	73,978.34	40,000.00	52,848.27	52,848.27	0.00
Total receipts	306,190.85	302,907.32	(3,283.53)	306,351.84	300,029.10	(6,322.74)
DISBURSEMENTS						
Assessor	353,220.00	348,678.43	4,541.57	353,650.00	300,298.11	53,351.89
Total disbursements	353,220.00	348,678.43	4,541.57	353,650.00	300,298.11	53,351.89
RECEIPTS OVER [UNDER] DISBURSEMEN	(47,029.15)	(45,771.11)	1,258.04	(47,298.16)	(269.01)	47,029.15
CASH JANUARY 1	47,029.15	47,029.15	0.00	47,298.16	47,298.16	0.00
CASH DECEMBER 31	\$0.00	\$1,258.04	\$1,258.04	\$0.00	\$47,029.15	\$47,029.15
=====						

The accompanying Notes to the Financial Statements are an integral part of this statement.

HOWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - VARIOUS FUNDS
YEAR ENDED DECEMBER 31

	2002			2001		
	Budget	Actual	Variance Favorable [Unfavorable]	Budget	Actual	Variance Favorable [Unfavorable]
SCHOOL RESOURCE FUND						
RECEIPTS						
Intergovernmental	\$46,131.79	\$51,733.75	\$5,601.96			
Other - grants				\$45,796.79	\$30,848.85	(\$14,947.94)
Total receipts	46,131.79	51,733.75	\$5,601.96	45,796.79	30,848.85	(14,947.94)
DISBURSEMENTS						
Juvenile Office	38,145.82	35,751.03	2,394.79	38,145.82	34,649.51	3,496.31
Fringe benefits	7,985.97	7,117.87	868.10	7,650.97	6,321.46	1,329.51
Total disbursements	46,131.79	42,868.90	3,262.89	45,796.79	40,970.97	4,825.82
RECEIPTS OVER [UNDER] DISBURSEMENT	0.00	8,864.85	8,864.85	0.00	(10,122.12)	(10,122.12)
CASH JANUARY 1	16,451.80	16,451.80	0.00	26,573.92	26,573.92	0.00
CASH DECEMBER 31	\$16,451.80	\$25,316.65	\$8,864.85	\$26,573.92	\$16,451.80	(\$10,122.12)
=====						
LAW ENFORCEMENT TRAINING FUND						
RECEIPTS						
Charges for services	\$8,675.00	\$8,100.48	(574.52)	\$9,200.00	\$8,679.69	(520.31)
Interest	700.00	207.69	(492.31)	800.00	739.31	(60.69)
Other	3,500.00	3,642.06	142.06	3,500.00	3,547.25	47.25
Total receipts	12,875.00	11,950.23	(924.77)	13,500.00	12,966.25	(533.75)
DISBURSEMENTS						
Sheriff	26,510.00	15,651.26	10,858.74	29,000.00	15,744.56	13,255.44
Total disbursements	26,510.00	15,651.26	10,858.74	29,000.00	15,744.56	13,255.44
RECEIPTS OVER [UNDER] DISBURSEMENT	(13,635.00)	(3,701.03)	9,933.97	(15,500.00)	(2,778.31)	12,721.69
CASH JANUARY 1	13,635.43	13,635.43	0.00	16,413.74	16,413.74	0.00
CASH DECEMBER 31	\$0.43	\$9,934.40	\$9,933.97	\$913.74	\$13,635.43	\$12,721.69
=====						
PROSECUTING ATTORNEY BAD CHECK FUND						
RECEIPTS						
Intergovernmental	\$47,000.00	\$1,737.94	(45262.06)	\$50,000.00	\$45,518.14	(4481.86)
Charges for services		56,315.97	56315.97			
Interest	500.00	224.02	(275.98)	500.00	476.87	(23.13)
Total receipts	47,500.00	58,277.93	10,777.93	50,500.00	45,995.01	(4504.99)
DISBURSEMENTS						
Salaries				17,463.70	17,453.76	9.94
fringe benefits				6,063.30	5,789.93	273.37
Office expenses	27,800.00	24,692.82	3,107.18	27,700.00	25,950.40	1,749.60
Other	19,380.00	15,978.36	3,401.64	12,260.00	8,415.77	3,844.23
Total disbursements	47,180.00	40,671.18	6,508.82	63,487.00	57,609.86	5,877.14
RECEIPTS OVER [UNDER] DISBURSEMENT	320.00	17,606.75	17,286.75	(12,987.00)	(11,614.85)	1,372.15
CASH JANUARY 1	1,867.17	1,867.17	0.00	13,482.02	13,482.02	0.00
CASH DECEMBER 31	\$2,187.17	\$19,473.92	\$17,286.75	\$495.02	\$1,867.17	\$1,372.15
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The accompanying Notes to the Financial Statements are an integral part of this statement.

HOWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - VARIOUS FUNDS
YEAR ENDED DECEMBER 31

	2002			2001		
	Budget	Actual	Variance Favorable [Unfavorable]	Budget	Actual	Variance Favorable [Unfavorable]
RECORDER'S SPECIAL FUND						
RECEIPTS						
Intergovernmental	\$20,000.00	\$16,860.00	(3140.00)	\$15,000.00	\$15,688.00	\$688.00
Interest	2,000.00	598.88	(1401.12)	2,000.00	2,195.65	195.65
Total receipts	22,000.00	17,458.88	(4541.12)	17,000.00	17,883.65	883.65
DISBURSEMENTS						
Recorder of Deeds	39,000.00	16,912.90	22,087.10	34,000.00	33,536.87	463.13
Total disbursements	39,000.00	16,912.90	22,087.10	34,000.00	33,536.87	463.13
RECEIPTS OVER [UNDER] DISBURSEMENTS	(17,000.00)	545.98	17,545.98	(17,000.00)	(15,653.22)	1,346.78
CASH JANUARY 1	39,289.88	39,289.88	0.00	54,943.10	54,943.10	0.00
CASH DECEMBER 31	\$22,289.88	\$39,835.86	\$17,545.98	\$37,943.10	\$39,289.88	\$1,346.78
=====						
PROSECUTING ATTORNEY TRAINING FUND						
RECEIPTS						
Charges for services	\$2,150.00	\$2,009.04	(140.96)	\$2,050.00	\$2,162.71	\$112.71
Interest	50.00	25.94	(24.06)	120.00	61.56	(58.44)
Total receipts	2,200.00	2,034.98	(165.02)	2,170.00	2,224.27	54.27
DISBURSEMENTS						
Prosecuting Attorney	3,750.00	2,339.30	1,410.70	4,050.00	2,572.50	1,477.50
Total disbursements	3,750.00	2,339.30	1,410.70	4,050.00	2,572.50	1,477.50
RECEIPTS OVER [UNDER] DISBURSEMENTS	(1,550.00)	(304.32)	1,245.68	(1,880.00)	(348.23)	1,531.77
CASH JANUARY 1	1,607.03	1,607.03	0.00	1,955.26	1,955.26	0.00
CASH DECEMBER 31	\$57.03	\$1,302.71	\$1,245.68	\$75.26	\$1,607.03	\$1,531.77
=====						
911 EMERGENCY TELEPHONE FUND						
RECEIPTS						
Intergovernmental	\$415,000.00	\$444,066.39	\$29,066.39	\$375,000.00	\$424,106.26	\$49,106.26
Interest	12,000.00	19,122.87	7,122.87	16,000.00	26,995.80	10,995.80
Other		2,620.32	2,620.32		1,417.00	1,417.00
Adjusting entry					57.76	57.76
Total receipts	427,000.00	465,809.58	38,809.58	391,000.00	452,576.82	61,576.82
DISBURSEMENTS						
Salaries	230,000.00	236,856.07	(6,856.07)	230,000.00	222,758.68	7,241.32
Fringe benefits	73,100.00	69,913.78	3,186.22	68,000.00	62,895.92	5,104.08
Office expenditures	71,602.00	80,881.28	(9,279.28)	47,602.00	32,483.98	15,118.02
Equipment	64,000.00	11,761.38	52,238.62	17,000.00	8,091.78	8,908.22
Mileage and training	7,000.00	9,930.50	(2,930.50)	6,500.00	5,914.41	585.59
Other expenses	32,930.00	14,930.06	17,999.94	24,330.00	36,432.05	(12,102.05)
Transfer out	5,000.00	0.00	5,000.00	5,000.00	5,000.00	0.00
Total disbursements	483,632.00	424,273.07	59,358.93	398,432.00	373,576.82	24,855.18
RECEIPTS OVER [UNDER] DISBURSEMENTS	(56,632.00)	41,536.51	98,168.51	(7,432.00)	79,000.00	86,432.00
CASH JANUARY 1	424,264.90	424,264.90	0.00	345,264.90	345,264.90	0.00
CASH DECEMBER 31	\$367,632.90	\$465,801.41	\$98,168.51	\$337,832.90	\$424,264.90	\$86,432.00
=====						

The accompanying Notes to the Financial Statements are an integral part of this statement.

HOWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - VARIOUS FUNDS
YEAR ENDED DECEMBER 31

	2002			2001		
	Budget	Actual	Variance Favorable [Unfavorable]	Budget	Actual	Variance Favorable [Unfavorable]
LAW ENFORCEMENT SALES TAX FUND						
RECEIPTS						
Sales taxes	\$900,000.00	\$926,600.59	\$26,600.59	\$916,000.00	\$898,383.12	(17616.88)
Intergovernmental	92,867.10	139,523.35	46,656.25	37,010.84	74,585.26	37574.42
Charges for services		800.00	800.00			0.00
Interest	4,000.00	4,686.55	686.55	10,000.00	3,428.32	(6571.68)
Other	53,400.00	72,690.27	19,290.27	45,950.00	60,391.48	14441.48
Transfers in	880,000.00	880,000.00	0.00	880,000.00	819,062.89	(60937.11)
Total receipts	1,930,267.10	2,024,300.76	94,033.66	1,888,960.84	1,855,851.07	(33109.77)
DISBURSEMENTS						
Sheriff	963,301.77	919,700.65	43,601.12	976,464.00	771,355.18	205,108.82
Detention Center	414,260.00	348,631.06	65,628.94	226,440.00	172,885.37	53,554.63
Grants	81,383.30	168,401.87	(87,018.57)	50,256.20	60,891.96	(10,635.76)
Community Projects	5,050.00	15,647.84	(10,597.84)	2,800.00	2,786.84	13.16
Public Health & Welfare	41,000.00	51,023.60	(10,023.60)	40,500.00	24,557.74	15,942.26
Jail Lease Agreement	142,500.00	135,296.19	7,203.81	138,000.00	77,428.53	60,571.47
Other	282,048.50	50,136.97	231,911.53	22,000.00	43,900.73	(21,900.73)
Fringe Benefits	294,844.00	253,829.06	41,014.94	284,620.35	223,223.23	61,397.12
Total disbursements	2,224,387.57	1,942,667.24	281,720.33	1,741,080.55	1,377,029.58	364,050.97
RECEIPTS OVER [UNDER] DISBURSEMENTS	(294,120.47)	81,633.52	375,753.99	147,880.29	478,821.49	330,941.20
CASH JANUARY 1	545,299.55	545,299.55	0.00	66,478.06	66,478.06	0.00
CASH DECEMBER 31	\$251,179.08	\$626,933.07	\$375,753.99	\$214,358.35	\$545,299.55	\$330,941.20
RECORDER'S TECHNOLOGY FUND						
RECEIPTS						
Intergovernmental	\$7,500.00	\$12,873.75	\$5,373.75	\$5,000.00	\$3,792.50	(\$1,207.50)
Interest	200.00	146.45	(53.55)	10.00	11.67	\$1.67
Total receipts	7,700.00	13,020.20	5,320.20	5,010.00	3,804.17	(1,205.83)
RECEIPTS OVER [UNDER] DISBURSEMENTS	7,700.00	13,020.20	5,320.20	5,010.00	3,804.17	(1,205.83)
CASH JANUARY 1	3,804.17	3,804.17	0.00	0.00	0.00	0.00
CASH DECEMBER 31	\$11,504.17	\$16,824.37	\$5,320.20	\$5,010.00	\$3,804.17	(\$1,205.83)

The accompanying Notes to the Financial Statements are an integral part of this statement.

HOWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - VARIOUS FUNDS
YEAR ENDED DECEMBER 31

	2002			2001		
	Budget	Actual	Variance Favorable [Unfavorable]	Budget	Actual	Variance Favorable [Unfavorable]
CHILDREN'S TRUST FUND						
RECEIPTS						
Intergovernmental	\$9,500.00	\$6,069.19	(\$3,430.81)	\$12,000.00	\$6,663.44	(\$5,336.56)
Total receipts	9,500.00	6,069.19	(3430.81)	12,000.00	6,663.44	(5,336.56)
DISBURSEMENTS						
Other	9,500.00	6,135.20	3,364.80	12,000.00	6,497.44	5,502.56
Total disbursements	9,500.00	6,135.20	3,364.80	12,000.00	6,497.44	5,502.56
RECEIPTS OVER [UNDER] DISBURSEMENTS	0.00	(66.01)	(66.01)	0.00	166.00	166.00
CASH JANUARY 1	166.00	166.00	0.00	0.00	0.00	0.00
CASH DECEMBER 31	\$166.00	\$99.99	(\$66.01)	\$0.00	\$166.00	\$166.00
=====						
PROSECUTING ATTORNEY SPECIAL FUND						
RECEIPTS						
Intergovernmental	\$1,500.00	\$1,149.53	(\$350.47)	\$800.00	\$1,520.39	\$720.39
Interest		14.63	14.63	100.00	0.00	(100.00)
Total receipts	1,500.00	1,164.16	(335.84)	900.00	1,520.39	620.39
DISBURSEMENTS						
Prosecuting Attorney	2,500.00	84.08	2,415.92	1,500.00	1,239.89	260.11
Total disbursements	2,500.00	84.08	2,415.92	1,500.00	1,239.89	260.11
RECEIPTS OVER [UNDER] DISBURSEMENTS	(1,000.00)	1,080.08	2,080.08	(600.00)	280.50	880.50
CASH JANUARY 1	1,063.42	1,063.42	0.00	782.92	782.92	0.00
CASH DECEMBER 31	\$63.42	\$2,143.50	\$2,080.08	\$182.92	\$1,063.42	\$880.50
=====						
DRUG ENFORCEMENT FUND						
RECEIPTS						
Intergovernmental	\$23,313.90	\$23,313.90	\$0.00			
Interest	800.00	380.42	(419.58)	\$1,200.00	\$1,035.33	(\$164.67)
Total receipts	24,113.90	23,694.32	(419.58)	1,200.00	1,035.33	(164.67)
DISBURSEMENTS						
Sheriff	45,284.90	26,313.90	18,971.00	25,000.00	3,000.00	22,000.00
Total disbursements	45,284.90	26,313.90	18,971.00	25,000.00	3,000.00	22,000.00
RECEIPTS OVER [UNDER] DISBURSEMENTS	(21,171.00)	(2,619.58)	18,551.42	(23,800.00)	(1,964.67)	21,835.33
CASH JANUARY 1	21,971.44	21,971.44	0.00	23,936.11	23,936.11	0.00
CASH DECEMBER 31	\$800.44	\$19,351.86	\$18,551.42	\$136.11	\$21,971.44	\$21,835.33
=====						

The accompanying Notes to the Financial Statements are an integral part of this statement.

HOWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - VARIOUS FUNDS
YEAR ENDED DECEMBER 31

	2002			2001		
	Budget	Actual	Variance Favorable [Unfavorable]	Budget	Actual	Variance Favorable [Unfavorable]
SHERIFF SPECIAL FUND						
RECEIPTS						
Intergovernmental	\$36,000.00	\$39,542.93	\$3,542.93	\$40,500.00	\$36,910.21	(\$3,589.79)
Transfers in					37.50	37.50
Total receipts	36,000.00	39,542.93	3,542.93	40,500.00	36,947.71	(3,552.29)
DISBURSEMENTS						
Sheriff	36,372.26	0.00	36,372.26	46,000.00	41,534.61	4,465.39
Total disbursements	36,372.26	0.00	36,372.26	46,000.00	41,534.61	4,465.39
RECEIPTS OVER [UNDER] DISBURSEMENTS	(372.26)	39,542.93	39,915.19	(5,500.00)	(4,586.90)	913.10
CASH JANUARY 1	1,372.26	1,372.26	0.00	5,959.16	5,959.16	0.00
CASH DECEMBER 31	\$1,000.00	\$40,915.19	\$39,915.19	\$459.16	\$1,372.26	\$913.10
=====						
SHERIFF'S EMERGENCY RESPONSE TEAM						
RECEIPTS						
Interest	\$150.00	\$45.10	(\$104.90)	\$150.00	\$135.66	(\$14.34)
Total receipts	150.00	45.10	(104.90)	150.00	135.66	(14.34)
DISBURSEMENTS						
Sheriff	3,000.00	175.00	2,825.00	3,000.00	268.82	2,731.18
Total disbursements	3,000.00	175.00	2,825.00	3,000.00	268.82	2,731.18
RECEIPTS OVER [UNDER] DISBURSEMENTS	(2,850.00)	(129.90)	2,720.10	(2,850.00)	(133.16)	2,716.84
CASH JANUARY 1	2,868.29	2,868.29	0.00	3,001.45	3,001.45	0.00
CASH DECEMBER 31	\$18.29	\$2,738.39	\$2,720.10	\$151.45	\$2,868.29	\$2,716.84
=====						
SPECIAL GRANTS FUND						
RECEIPTS						
Intergovernmental	\$270,000.00	\$242,641.88	(\$27,358.12)	\$285,000.00	\$215,936.19	(\$69,063.81)
Other		200.00	200.00			
Transfers in					4,979.04	4,979.04
Total receipts	270,000.00	242,841.88	(27,158.12)	285,000.00	220,915.23	(64,084.77)
DISBURSEMENTS						
Grant expenditures	270,000.00	242,641.88	27,358.12	288,621.03	224,536.26	64,084.77
Other		112.79	(112.79)			
Total disbursements	270,000.00	242,754.67	27,245.33	288,621.03	224,536.26	64,084.77
RECEIPTS OVER [UNDER] DISBURSEMENTS	0.00	87.21	87.21	(3,621.03)	(3,621.03)	0.00
CASH JANUARY 1	0.00	0.00	0.00	3,621.03	3,621.03	0.00
CASH DECEMBER 31	\$0.00	\$87.21	\$87.21	\$0.00	\$0.00	\$0.00
=====						

The accompanying Notes to the Financial Statements are an integral part of this statement.

HOWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - VARIOUS FUNDS
YEAR ENDED DECEMBER 31

	2002			2001		
	Budget	Actual	Variance Favorable [Unfavorable]	Budget	Actual	Variance Favorable [Unfavorable]
ELECTION SERVICES FUND						
RECEIPTS						
Intergovernmental	\$7,000.00	\$1,508.95	(\$5,491.05)	\$6,500.00	\$5,827.11	(\$672.89)
Interest	250.00	97.16	(152.84)		180.16	180.16
Interest					74.54	74.54
Transfers in		1,942.74	1,942.74			
Total receipts	7,250.00	3,548.85	(3,701.15)	6,500.00	6,081.81	(418.19)
DISBURSEMENTS						
Elections	12,500.00	3,177.94	9,322.06	2,900.00	1,795.49	1,104.51
Total disbursements	12,500.00	3,177.94	9,322.06	2,900.00	1,795.49	1,104.51
RECEIPTS OVER [UNDER] DISBURSEMEN	(5,250.00)	370.91	5,620.91	3,600.00	4,286.32	686.32
CASH JANUARY 1	6,214.36	6,214.36	0.00	1,928.04	1,928.04	0.00
CASH DECEMBER 31	\$964.36	\$6,585.27	\$5,620.91	\$5,528.04	\$6,214.36	\$686.32
=====						
COLLECTOR'S TAX MAINTENANCE FUND						
RECEIPTS						
Intergovernmental	\$2,000.00	\$1,716.91	(\$283.09)			
Total receipts	2,000.00	1,716.91	(283.09)			
DISBURSEMENTS						
County Collector	0.00	0.00	0.00			
Total disbursements	0.00	0.00	0.00			
RECEIPTS OVER [UNDER] DISBURSEMEN	2,000.00	1,716.91	(283.09)			
CASH JANUARY 1	0.00	0.00	0.00			
CASH DECEMBER 31	\$2,000.00	\$1,716.91	(\$283.09)			
=====						
MICRO-ENTERPRISE LOAN FUND						
RECEIPTS						
Intergovernmental	\$80,280.00	\$75,000.00	(\$5,280.00)	\$98,900.00	\$18,620.00	(\$80,280.00)
Total receipts	80,280.00	75,000.00	(5,280.00)	98,900.00	18,620.00	(80,280.00)
DISBURSEMENTS						
Micro-enterprise loan	80,280.00	75,000.00	5,280.00	98,900.00	18,620.00	80,280.00
Total disbursements	80,280.00	75,000.00	5,280.00	98,900.00	18,620.00	80,280.00
RECEIPTS OVER [UNDER] DISBURSEMEN	0.00	0.00	0.00	0.00	0.00	0.00
CASH JANUARY 1	0.00	0.00	0.00	0.00	0.00	0.00
CASH DECEMBER 31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
=====						

The accompanying Notes to the Financial Statements are an integral part of this statement.

HOWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - VARIOUS FUNDS
YEAR ENDED DECEMBER 31

	2002			2001		
	Budget	Actual	Variance Favorable [Unfavorable]	Budget	Actual	Variance Favorable [Unfavorable]
SENATE BILL 40 BOARD FUND						
RECEIPTS						
Property taxes	\$150,000.00	\$149,917.77	(\$82.23)	\$130,000.00	\$142,793.49	\$12,793.49
Intergovernmental	430.00	1,126.26	696.26	644.54	362.57	(281.97)
Interest	3,500.00	1,743.02	(1,756.98)	4,100.00	3,782.70	(317.30)
Total receipts	153,930.00	152,787.05	(1,142.95)	134,744.54	146,938.76	12,194.22
DISBURSEMENTS						
Office expenses	600.00	258.97	341.03	500.00	250.50	249.50
Contract services	193,000.00	96,266.48	96,733.52	170,000.00	142,840.00	27,160.00
Total disbursements	193,600.00	96,525.45	97,074.55	170,500.00	143,090.50	27,409.50
RECEIPTS OVER [UNDER] DISBURSEMEN	(39,670.00)	56,261.60	95,931.60	(35,755.46)	3,848.26	39,603.72
CASH JANUARY 1	39830.23	39,830.23	0.00	35,981.97	35,981.97	0.00
CASH DECEMBER 31	\$160.23	\$96,091.83	\$95,931.60	\$226.51	\$39,830.23	\$39,603.72
=====						
LAW LIBRARY FUND						
RECEIPTS						
Intergovernmental	\$21,420.00	\$22,684.50	\$1,264.50			
Interest	540.00	276.24	(263.76)			
Total receipts	21,960.00	22,960.74	1,000.74			
DISBURSEMENTS						
Law library	19,680.00	26,373.98	(6,693.98)			
Total disbursements	19,680.00	26,373.98	(6,693.98)			
RECEIPTS OVER [UNDER] DISBURSEMEN	2,280.00	(3,413.24)	(5,693.24)			
CASH JANUARY 1	17,156.09	17,156.09	0.00			
CASH DECEMBER 31	\$19,436.09	\$13,742.85	(\$5,693.24)			
=====						
CIRCUIT CLERK - INTEREST FUND						
RECEIPTS						
Interest	\$500.00	\$1,195.41	\$695.41			
Other	1,000.00	790.04	(209.96)			
Total receipts	1,500.00	1,985.45	485.45			
DISBURSEMENTS						
Circuit clerk	4,000.00	3,675.75	324.25			
Total disbursements	4,000.00	3,675.75	324.25			
RECEIPTS OVER [UNDER] DISBURSEMEN	(2,500.00)	(1,690.30)	809.70			
CASH JANUARY 1	23,421.00	23,421.00	0.00			
CASH DECEMBER 31	\$20,921.00	\$21,730.70	\$809.70			
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HOWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - VARIOUS FUNDS
YEAR ENDED DECEMBER 31

	2002			2001		
	Budget	Actual	Variance Favorable [Unfavorable]	Budget	Actual	Variance Favorable [Unfavorable]
ASSOCIATE CIRCUIT DIVISION - INTEREST FUND						
RECEIPTS						
Interest	\$4,416.51	\$2,602.05	(\$1,814.46)			
Total receipts	4,416.51	2,602.05	(1,814.46)			
DISBURSEMENTS						
Associate circuit clerk	19,000.00	14,252.80	4,747.20			
Total disbursements	19,000.00	14,252.80	4,747.20			
RECEIPTS OVER [UNDER] DISBURSEMENTS	(14,583.49)	(11,650.75)	2,932.74			
CASH JANUARY 1	19,055.62	19,055.62	0.00			
CASH DECEMBER 31	\$4,472.13	\$7,404.87	\$2,932.74			

SPECULATIVE INDUSTRIAL BUILDING LOAN FUND

RECEIPTS			
Intergovernmental	\$400,000.00	\$400,000.00	0.00
Total receipts	400,000.00	400,000.00	0.00
DISBURSEMENTS			0.00
Spec building	400,000.00	400,000.00	0.00
Total disbursements	400,000.00	400,000.00	\$0.00
RECEIPTS OVER [UNDER] DISBURSEMENTS	0.00	0.00	
CASH JANUARY 1	0.00	0.00	
CASH DECEMBER 31	\$0.00	\$0.00	\$0.00

The accompanying Notes to the Financial Statements are an integral part of this statement.

HOWELL COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2002, AND 2001

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Howell County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Senate Bill 40 Board. The General Revenue Fund is the county's operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash receipts and cash disbursements basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Year Ended December 31,</u>
Circuit Clerk Interest Fund	2001
Associate Circuit Division Interest Fund	2001
Law Library Fund	2001

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Year Ended December 31,</u>
Law Library Fund	2002

HOWELL COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2002, AND 2001

1. Summary of Significant Accounting Policies - Continued

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. Financial statements were published as required.

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county had not adopted such a policy as of December 31, 2002. However, during 2003 a policy has been written for the approval of the County Commission.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's and the Senate Bill 40 Board's deposits at December 31, 2002 and 2001 were entirely covered by federal depository insurance, collateral securities held by the county's custodial bank in the county's name, or by an irrevocable standby letter of credit issued by a Federal Home Loan Bank.

However, for the period August 19, 2001 through July 19, 2002 one certificate of deposit was under pledged by \$1,691.40.

To protect the safety of county deposits, Section 110.020, RSMo 2000, requires depositories to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

HOWELL COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31,

Federal Grantor Pass-through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identification Number	2002 Expenditures	2001 Expenditures
U.S. Department of Agriculture				
Passed-through Missouri Office of Administration Schools and Roads - Grants to States	10.665	Not Applicable	\$73,979.99	\$48,592.73
U.S. Department of Commerce				
Direct Program Grants for Public Works and Economic Development	11.300	2000-MO-03		400,000.00
U.S. Department of Housing and Urban Development				
Passed-through Missouri Department of Economic Development Community Development Block Grants	14.228	2000-ME-02	75,000.00	18,620.00
Department of Social Services Emergency Shelter Grants	14.231	Not Applicable	17,844.32	29,202.02
U.S. Department of Justice				
Direct Program Equitable Sharing of Seized and Forfeited Property	16.000	Not Applicable		23,313.90
Passed-through Missouri Department of Public Safety Juvenile Justice and Delinquency Prevention	16.540	01-JFJ4-12	5,434.55	
Juvenile Justice and Delinquency Prevention	16.540	00-JFJ4-20	26,762.66	
National Criminal History Improvement Program	16.554	Not Applicable		10,220.65
Crime Victim Assistance	16.575	2000-VOCA-0143	5,252.49	
Byrne Formula Grant Program	16.579	2000-NCD2-012		90,098.68
Byrne Formula Grant Program	16.579	2000-NDC2-022		76,961.38
Byrne Formula Grant Program	16.579	2001-NCD2-032	182,992.90	
Violence Against Women Formula Grants	16.588	2000VAWA-0066	19,701.27	
Violence Against Women Formula Grants	16.588	98-VAWA-0087		20,391.09
Violence Against Women Formula Grants	16.588	2000-VAWA-0019		22,110.84
Local Law Enforcement Block Grant Program	16.592	2002-LB-BX-3109	12,401.00	
Juvenile Investigator	16.540	00JFJ4-20		5,496.94
Juvenile Accountability Incentive	16.523	99JAIBG-INT-07	14,629.93	
Sheriff's Meth-Amphetamine Relief Team MO-Smart Program	16.580	2000DDVX0055	49,345.16	34,059.74
MO-Smart Program	16.580	TF-2001-10	41,804.66	28,274.18
Restorative Justice Mediation Service Grant	16.523	JAIBG-LG-12	270.00	
Sheriffs' Association DVERT Grant	16.590	2002WE-BX-0033	68,576.78	

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

HOWELL COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31,

Federal Grantor Pass-through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identification Number	2002 Expenditures	2001 Expenditures
U.S. Department of Transportation				

Passed-through Missouri				
Highway and Transportation Commission				
Highway Planning and Construction	20.205	BRO-046(7)	264,099.16	10,604.80
Federal Emergency Management Agency				

Passed-through Missouri				
Department of Public Safety				
Emergency Management - State and Local Assistance	83.534	Not Applicable	7,856.93	4,844.23
Disaster Relief	83.544	1412-OR-MO	416,276.11	
U.S. Department of Health & Human Services				

Passed-through Missouri				
Department of Social Services				
Child Support Enforcement	93.563	Not Applicable	129,707.03	109,603.69
Family Centered Out of Home Grant	93.658	AOC6000316	85,992.96	87,626.34
TOTAL FEDERAL AWARDS			\$1,497,927.90	\$1,020,021.21
			=====	=====

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

HOWELL COUNTY, MISSOURI
NOTES TO SUPPLEMENTARY SCHEDULE
YEARS ENDED DECEMBER 31, 2002, AND 2001

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The Accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Howell County, Missouri, except for the programs accounted for in the Howell County Public Housing Agency Fund. Federal awards for that fund have been audited and separately reported on by other independent auditors for its years ended June 30, 2002 and 2001.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance - means assistance that nonfederal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award - means federal financial assistance and federal cost-reimbursement contracts that nonfederal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash receipts and cash disbursements method of accounting, which recognized amounts only when disbursed in cash.

Amounts for the Equitable Sharing of Seized and Forfeited Property Program, CFDA number 16.000 represents the county's share of seized monies or property.

HOWELL COUNTY, MISSOURI
NOTES TO SUPPLEMENTARY SCHEDULE
YEARS ENDED DECEMBER 31, 2002, AND 2001

2. Sub recipients

Of the federal expenditures presented in the schedule, the county provided federal awards to sub recipients as follows:

<u>CFDA Number</u>	<u>Program Title</u>	<u>2002</u>	<u>Amount Provided</u> <u>Year Ended December 31,</u> <u>2001</u>	
14.231	Emergency Shelter Grants		\$ 17,844.32	\$ 29,202.02
16.000	Equitable Sharing of Seized and Forfeited Property			\$ 23,313.90
16.579	Byrne Formula Grant Program		\$182,992.90	\$167,060.06
16.580	MO-Smart Program		\$ 41,804.66	\$ 28,274.18

FEDERAL AWARDS- SINGLE AUDIT SECTION



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and
Officeholders of Howell County, Missouri

Compliance

We have audited the compliance of Howell County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2002 and 2001. The county's major programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Howell County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2002 and 2001. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 02-1.

Internal Control Over Compliance

The management of Howell County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 02-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

This report is intended for the information and use of the management of Howell County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.

Original Signed by Auditor

A. M. Barnhart, P.C.
Certified Public Accountant

Houston, Missouri
May 9, 2003

HOWELL COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2002 AND 2001

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

☐ Yes ☒ No

Reportable condition(s) identified
not considered to be material weaknesses?

☐ Yes ☒ None reported

Noncompliance material to financial
statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

☐ Yes ☒ No

Reportable condition(s) identified
not considered to be material weaknesses?

☒ Yes ☐ None reported

Type of auditor's report issued on compliance
for major programs:

Unqualified

Any audit findings disclosed that are required
to be reported in accordance with Section .510(a)
of Circular A-133?

☒ Yes ☐ No

Identification of major programs:

CFDA Number(s)

11.300

16.579

20.205

83.544

Name of Federal Program or Cluster

Grants for Public Works and Economic Development

Byrne Formula Program

Highway Planning and Construction

Disaster Relief

Dollar threshold used to distinguish between
type A and type B programs:

\$300,000.00

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

HOWELL COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)-CONTINUED
YEARS ENDED DECEMBER 31, 2002 AND 2001

Section II--Financial Statement Findings

This section includes no audit findings that Government Auditing Standards requires to be reported for an audit of financial statements.

Section III--Federal Award Findings and Questioned Costs

This section includes the audit finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

02-1	Schedule of Expenditures of Federal Awards
Federal Grantor: Pass-Through Grantor: Federal CFDA Number: Program Title: Pass-Through Entity Identifying No. Award Years: Questioned Costs:	U.S. Department of Agriculture Office of Administration 10.665 Schools and Roads - Grants to States Not applicable 2001 Not applicable
Federal Grantor: Pass-Through Grantor: Federal CFDA Number: Program Title: Pass-Through Entity Identifying No. Award Years: Questioned Costs:	U.S. Department of Housing and Urban Dev. Department of Economic Development 14.228 Community Development Block Grants 2000-ME-02 2002 Not applicable
Federal Grantor: Pass-Through Grantor: Federal CFDA Number: Program Title: Pass-Through Entity Identifying No. Award Years: Questioned Costs:	U.S. Department of Justice Department of Public Safety 16.540 Juvenile Justice and Delinquency Prevention 01-JFJ4-12, 00-JFJ4-20 and OOFJ4-20 2001 and 2002 Not applicable
Federal Grantor: Pass-Through Grantor: Federal CFDA Number: Program Title: Pass-Through Entity Identifying No. Award Years: Questioned Costs:	U.S. Department of Justice Department of Public Safety 16.575 Crime Victim Assistance 2000-VOCA-0143 2002 Not applicable

HOWELL COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION) - CONTINUED
YEARS ENDED DECEMBER 31, 2002 AND 2001

Federal Grantor:	U.S. Department of Justice
Pass-Through Grantor:	Department of Public Safety
Federal CFDA Number:	16.579
Program Title:	Byrne Formula Grant
Pass-Through Entity Identifying No.	2000-NDC2-012 and 2000-NDC2-022
Award Years:	2001
Questioned Costs:	Not applicable
Federal Grantor:	U.S. Department of Justice
Pass-Through Grantor:	Department of Public Safety
Federal CFDA Number:	16.588
Program Title:	Violence Against Women Formula Grants
Pass-Through Entity Identifying No.	98-VAWA-0087 and 2000-VAWA-0019
Award Years:	2001
Questioned Costs:	Not applicable
Federal Grantor:	U.S. Department of Justice
Pass-Through Grantor:	Sheriff's Meth-Amphetamine Relief Team
Federal CFDA Number:	16.580
Program Title:	MO-Smart Program
Pass-Through Entity Identifying No.	TF-2001-10 and 2000DDVX0055
Award Years:	2002 and 2001
Questioned Costs:	Not applicable
Federal Grantor:	U.S. Department of Justice
Pass-Through Grantor:	Sheriff's Meth-Amphetamine Relief Team
Federal CFDA Number:	16.523
Program Title:	Restorative Justice Mediation Service Grant
Pass-Through Entity Identifying No.	JAIBG-LG-12
Award Years:	2002
Questioned Costs:	Not applicable
Federal Grantor:	U.S. Department of Justice
Pass-Through Grantor:	Sheriff's Association
Federal CFDA Number:	16.590
Program Title:	DVERT Grant
Pass-Through Entity Identifying No.	2002WE-BX-0033
Award Years:	2002
Questioned Costs:	Not applicable
Federal Grantor:	Federal Emergency Management Agency
Pass-Through Grantor:	Department of Public Safety
Federal CFDA Number:	83.534
Program Title:	Emergency Management-State and Local
Pass-Through Entity Identifying No.	Not applicable
Award Years:	2002 and 2001
Questioned Costs:	Not applicable

HOWELL COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION) - CONTINUED
 YEARS ENDED DECEMBER 31, 2002 AND 2001

Federal Grantor:	U.S. Department of Health and Human Serv.
Pass-Through Grantor:	Department of Social Services
Federal CFDA Number:	93.563
Program Title:	Child Support Enforcement
Pass-Through Entity Identifying No.	Not applicable
Award Years:	2002
Questioned Costs:	Not applicable

Federal Grantor:	U.S. Department of Health and Human Serv.
Pass-Through Grantor:	Department of Social Services
Federal CFDA Number:	93.658
Program Title:	Family Centered Out of Home Grant
Pass-Through Entity Identifying No.	AOC6000316
Award Years:	2002
Questioned Costs:	Not applicable

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the auditee to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. The county is required to submit the schedule of expenditures of federal awards to the State Auditor's Office as a part of the annual budget.

The county does not have procedures in place to track federal awards for preparation of the SEFA. For the years ended December 31, 2002 and 2001, the county's SEFA contained numerous errors and omissions for programs listed above. For example, expenditures relating to several federal grants were not included on the schedules. Other programs reported did not include the required pass-through grantor's number or the Catalog of Federal Domestic Assistance (CFDA) number. In addition, some programs were reported incorrectly, and in total, expenditures were understated by \$62,611.41 and \$146,848.21 for 2002 and 2001, respectively.

Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.

WE RECOMMEND the County Clerk prepare a complete and accurate schedule of expenditures of federal awards.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

Procedures are being implemented between the various county offices to address this recommendation.

HOWELL COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Howell County's audit report issued for the two years ended December 31, 2000, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

HOWELL COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

Howell County's prior audit report issued for the two years ended December 31, 2000, included a finding that was required to be reported under Section .510(a) of OMB Circular A-133 regarding the inadequacy of procedures used to accumulate data and prepare the required Schedule of Expenditures of Federal Awards. Following is the program information.

Federal Grantor:	U.S. Department of Agriculture	U.S. Department of Justice
Pass-Through Grantor:	Office of Administration	Department of Public Safety
Federal CFDA Number:	10.665	16.579
Program Title:	Schools and Roads-Grants to States	Byrne Formula Grant Program
Pass-Through Entity No.	Not applicable	98-NCD2-036, 99-NCD2-013, and 2000-NCD2-012
Award Years:	2000 and 1999	2000 and 1999
Questioned Costs:	Not applicable	Not applicable
Federal Grantor:	U.S. Department of Housing and Urban Development	
Pass-Through Grantor:	Department of Economic Development	
Federal CFDA Number:	14.228	
Program Title:	Community Development Block Grants-State's Program	
Pass-Through Entity No.	96-ED-09, 97-PF-11, 98-PF-13, and 2000-ME-02	
Award Years:	2000 and 1999	
Questioned Costs:	Not applicable	

Recommendation:

The County Clerk prepare a complete and accurate schedule of expenditures of federal awards.

Status:

Not implemented. See finding number 02-1

MANAGEMENT ADVISORY REPORT SECTION

HOWELL COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT - AUDITOR'S FINDINGS

We have audited the special-purpose financial statements of various funds of Howell County, Missouri, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 9, 2003. We also have audited the compliance of Howell County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 9, 2003.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county.

Because the Howell County Public Housing Agency is audited and separately reported on by other independent auditors, the related fund is not presented in the special-purpose financial statements. However, we reviewed that audit report and other applicable information.

Our audit was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Management Advisory Report presents our findings arising from our audit of the special-purpose financial statements referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These findings resulted from our audit of the special-purpose financial statements of Howell County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

1. Budgetary Practices

- A. Budgets were not prepared for various county funds for the year ended December 31, 2001.

Chapter 50, RSMo 2000, requires the preparation of annual budgets for all funds to present a complete financial plan for the ensuing year. By preparing or obtaining budgets for all county funds and activities, the County Commission is able to more effectively evaluate all county financial resources.

- B. Actual disbursements exceeded the budgeted amounts in various funds as follows:

Law Library Fund

December 31, 2002

It was ruled in *State ex rel. Strong v. Cribb*, 364 Mo. 1122, 273 SW2d 246(1954), that county officials are required to strictly comply with the county budget laws. If there are valid reasons which necessitate excess disbursements, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. In addition, Section 50.622, RSMo 2000, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend its budget.

WE RECOMMEND the County:

- A. Ensure financial information for all county funds is included in the annual budgets.
- B. Refrain from authorizing disbursements in excess of budgeted amounts. If valid reasons necessitate excess disbursements the original budget should be formally amended and filed with the State Auditor's office.

AUDITEE'S RESPONSE

The offices identified will be reminded of these recommendations.

2. Collateral Securities

The county has not established procedures to monitor collateral securities required on certificates of deposit. The county does not "book" interest earned and added to certificates until a check is actually received. Therefore, there was one instance for the period August 19, 2001 through July 19, 2002 where one certificate of deposit was under pledged by \$1,691.40.

Section 110.020, RSMo 2000, requires that the value of securities pledged shall at all times be not less than 100 percent of the actual amount on deposit less the amount insured by the FDIC. Inadequate collateral securities leave the county funds unsecured and subject to loss in the event of a bank failure.

In addition, the Senate Bill 40 Board has not entered into a written depositary agreement with their depositary banks. A depositary contract is necessary to ensure both the bank and the county or county board understand and comply with the agreement. Such a contract may cover issues such as costs of checking accounts and safe deposit boxes, interest charges for borrowed funds, interest to be paid on certificate of deposit, savings accounts and interest bearing checking accounts, and should include collateral securities required to be pledged. In addition, Section 110.130, RSMo 2000, requires the Senate Bill 40 Board to enter into agreements with the bank or banks selected as the depositary during the May term in each odd-numbered year.

WE RECOMMEND the County Commission:

- A. Establish monitoring procedures to ensure depository banks pledge adequate collateral securities at all times. In addition, the Senate Bill 40 Board should enter into written depository agreements with all depository banks, as required by state law.

AUDITEE'S RESPONSE

The county has implemented procedures to insure adequate pledged securities at all times and have a Collateral Pledge Agreement in place. The Senate Bill 40 Board will obtain agreements as required and implement procedures to assure adequate pledged securities as needed.

HOWELL COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Howell County, Missouri on special-purpose financial statement findings in the Management Advisory Report (MAR) of the county's audit report issued for the two years ended December 31, 2000. The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR.

1. Budgetary Practices:

- A. Formal budgets were not prepared for various funds for the years ended December 31, 2000 and 1999.
- B. Actual expenditures exceeded budgeted amounts for the Criminal Pleas, Sheriff's Equipment, and Special Grants funds for 2000 and for the CDBG Project #98-PF-13 fund for 1999.
- C. The annual financial statements of the county did not include the financial activity of some county funds as required.

Recommendation:

- A. Ensure financial information for all county funds is included in the annual budgets.
- B. Refrain from authorizing disbursements in excess of budgeted amounts.
- C. Ensure financial information for all county funds is properly reported in the annual financial statements.

Status:

A implemented in 2002, B not implemented for the Law Library Fund - See MAR finding number 1. C implemented.

2. Collateral Securities:

- A. The county and the Senate Bill 40 Board have not established procedures to monitor collateral securities pledged by their depository banks.
- B. The county and the Senate Bill 40 Board have not entered into written depository agreements with their depository banks.

Recommendation:

- A. County Commission and the Senate Bill 40 Board establish monitoring procedures to ensure depositary banks pledge adequate collateral securities at all times.
- B. County Commission and the Senate Bill 40 Board enter into a written depositary agreement with all depositary banks.

Status:

A & B not fully implemented - See MAR finding number 2.